proposals for settlement of dues. IDBI has further informed that in three cases, the proposals were not found support-worthy and in other two cases, the borrowers have been advised to improve the terms of offer. The remaining two proposals are under examination of IDBI.

Opinion of Expert Committee on Rural Credit

†2885. SHRI LAJPAT RAI:
SHRI KAPIL SIBAL:

Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to the opinion of Expert Committee on Rural Credit that additional facilities will have to be provided by banks in order to disburse more loans in rural areas;

(b) whether this Committee has also opined about the facilities which are necessary for the banks to be provided; and

(c) if so, the details thereof and the steps taken by Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) and ((b) The Expert Committee on Rural Credit constituted by National Bank for Agriculture and Rural Development (NABARD) had made suggestions and recommendations to facilitate the banks to achieve higher credit flow to rural areas. Some of the important recommendations and suggestions are indicated below:

* New innovations such as formation of joint liability groups, freeing land lease market, contract farming, etc, need to be encouraged;
* Promote watershed development and disseminate experience gained;
* Short term and long term credit for both agriculture and non-farm activities be progressively covered under Kisan Credit Card Scheme;
* Long term structure now accepting public deposits should be brought under supervisory control of RBI/NABARD;
* Promotion of Self Help Groups by short term cooperative structure;

†Original notice of the question was received in Hindi.

* Creation of adequate infrastructure for rural storage, rural godowns, regulated markets, warehousing, processing units and rural raod bridges etc;

* Need to improve legal environment both to increase the disbursal of rural credit and achieve better recovery;

* Computerise back and front office operations and improve facilities provided to employees in rural areas;

* Prudential norms criteria should be made more flexible;

* Commercial banks to have a need for small .complement of specialists and more pragmatic personnel policy for rural branches.

(c) The measures taken to ensure higher credit flow to rural areas include introduction of new innovations like private sector involvement in agriculture extension, introduction of land purchase scheme, introduction of joint liability groups and contract farming, introduction of scheme for agri-clinics and agri-business centres, promotion of Self-help Groups etc.

Guidelines on arbitrary use of instruments

2886. SHRI RAMA MUNI REDDY SIRIGIREDDY:
SHRIMATI N.P. DURGA:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that RBI has issued guidelines to put a bar on arbitrary use of instruments;

(b) whether it has also restricted the banks from taking long or short credit derivative positions with a trading intent; and

(c) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI ANANDRAO VITHOBA ADSUL): (a) to (c) Reserve Bank of India has issued draft guidelines on introduction of credit derivatives in India to banks which have been placed on their web-site for comments of banks.